

**LIGHT & POWER DEPARTMENT**  
Donal O'Callaghan, Director of Light & Power

July 21, 2008

Ms. Lynette Esternon Green  
Renewable Energy Program  
California Energy Commission  
1516 Ninth Street, MS 45  
Sacramento, California 95814

### **2008 SOLAR INITIATIVE REPORT**

Pursuant to Public Utilities Code section 387.5(e) and the State of California's Solar Initiative Program, the City of Vernon (the "City") hereby submits the following data regarding the City's Solar Energy and Net Metering Program for the period of January 1, 2008, to March 31, 2008.

The data provided corresponds to the reporting requirements set forth in Chapter 6 of the California Energy Commission's "Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1."

#### **1. Solar Program Overview and Contribution toward Goals:**

In November of 2007, the City Council of the City of Vernon, as the governing body for the City of Vernon Light & Power Department, passed a resolution implementing the City's Solar Energy and Net Metering Program (the "Program"). The purpose of the Program was to encourage and facilitate investment in, and use of, both solar and wind energy systems. The City's Program took effect on January 1, 2008.

The City's Program provides both direct incentives to customers who install qualifying solar/photovoltaic projects as well as a net metering program which allows customers to offset their electrical demand by generating their own electricity.

The most significant challenge facing the widespread use of the Program by the City's customers is that the City has a relatively small and almost exclusively industrial customer base. The City's customers have different requirements for energy than do

typical residential customers. There appears to be less demand for solar generation and net metering among industrial customers than among residential customers.

Although customer interest in the Program has started slowly, the City has received inquiries about the Program from various construction and energy industry contractors and consultants. Thus, while none of the City's customers have yet committed to implementing any particular aspect of the Program, the City is hopeful that the interest demonstrated by contractors and consultants will signify the beginning of an increasing trend in demand for renewable generation and net metering.

**2. Submitted Applications, Incentives Awarded, Installed Systems:**

During the reporting period of January 1, 2008, to March 31, 2008, the City did not receive any applications to participate in the Program. Consequently, the City did not award any incentives, no systems were installed and no solar or wind capacity was created.

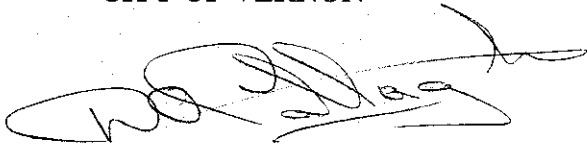
Please direct any inquiries relating to this Report to the following:

City of Vernon  
Attention: Director, Light & Power Department  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Facsimile: 323-826-1425

Thank you for your cooperation.

Sincerely,

CITY OF VERNON



DONAL O'CALLAGHAN  
Director, Light & Power

DO:AA:rmt

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Dennis Ehling, Kirkpatrick & Lockhart Nicholson Graham LLP  
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